

Ardea Real Outcome Fund

A smarter alternative to cash

The Ardea Real Outcome Fund seeks to strike the right balance, aiming for higher returns¹ than cash² with less risk than many income seeking investments³.

Ardea's unique investment approach combines the safety of investing in high quality government bonds with proven risk management strategies that protect your capital from interest rate fluctuations and general market volatility.

For investors accepting some risk, the Fund may be a smarter alternative to cash and can work as a defensive fixed income anchor to help your investment portfolio navigate the ups and downs of markets.

FUND AT A GLANCE

Objective

The Fund targets low volatility returns exceeding cash rates and inflation, by investing in a global portfolio of high quality government bonds that prioritises capital preservation and liquidity.

Benchmark

Australian Consumer Price Index

Distribution frequency

Quarterly

Fund Inception Date

20 July 2012

Minimum Investment

\$10,000 or \$1,000 with Regular Investment Plan

Management Fee

0.5% p.a.

APIR Code

HOW0098AU

WHO IS THIS FUND SUITABLE FOR?

This Fund is designed for those seeking:

- a higher expected return than cash⁴
- an alternative source of income, with low volatility
- a defensive fixed income anchor to diversify portfolio risk away from equities, property and credit investments
- investors who accept some risk that their investment will include some exposure to derivative strategies and capital loss

WHY INVEST?

Higher expected returns than cash⁴

The Fund has a track record of delivering returns exceeding cash and inflation since inception⁵. As these returns are independent of market direction, Ardea expect to maintain a level of outperformance in rising and falling markets irrespective of the level of the cash rate.

An easier way to access your investment

The Fund offers daily liquidity, without break costs that can apply to certain cash products.

Lower risk strategy than many income seeking investments³

The Fund includes investments in high-quality government bonds and cash securities, which have lower credit risk, unlike bank hybrids and corporate bonds, while also using sophisticated risk management strategies to help minimise volatility compared to dividend paying stocks.

Defensive fixed income anchor that helps diversify investment portfolio risk

The Fund targets positive returns that are independent of interest rate fluctuations and general market volatility. Combining this with proven risk management strategies allows the Fund to help diversify your portfolio risk away from equities, property and credit investments.

Protect the purchasing power of your investment

In addition to outperforming¹ cash, the Fund targets returns exceeding inflation, which helps protect the long term purchasing power of your investment.

1 Refers to the Fund's historical track record since inception.

2 Cash on hand, demand deposits and money deposited with an Australian ADI that is available for immediate withdrawal; Short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value including cash management trusts.

3 When compared to Equities (S&P/ASX200 Accumulation), REITs (S&P/ASX200 A-REIT), Ausbond Composite (Australian govt and non-government bonds) and Ausbond Govt (Australian govt bonds).

4 Past performance is not an indicator of future performance. Neither fund performance nor capital is guaranteed.

5 Inception date is 20 July 2012.

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WHY IS THIS FUND UNIQUE?

Unlike traditional fixed income funds, which may suffer from poor returns when interest rates are low, and may also incur capital losses if rates rise, the Fund does a lot more than just buy bonds to earn interest income.

The Fund adopts a 'relative value' investment strategy to access a much broader range of fixed income return sources that are independent of the level or direction of interest rates.

Investors can achieve better investment outcomes because the Fund can deliver stable returns that are independent of the broader fixed income and equity market fluctuations that may impact conventional funds.

Additionally, in Australia the most popular income seeking investments – dividend paying stocks, bank hybrids, investment properties and credit funds – can become closely linked to each other in periods of economic stress, potentially incurring losses at the same time.

The Fund provides an alternative source of income that can deliver positive returns at these times, because its return sources are unrelated to conventional investment strategies. The Fund also includes sophisticated risk management strategies that are specifically designed to profit in volatile markets.

So, in addition to providing stable income, the Fund can act as a defensive fixed income anchor to diversify your portfolio risks and help stabilise your investments against adverse market movements.

A final unique benefit comes from the Fund's return target being measured against the Australian Consumer Price Index (a measure of inflation). This means it targets returns not just exceeding cash but also exceeding inflation to help protect the long term purchasing power of your capital.

ABOUT ARDEA INVESTMENT MANAGEMENT

Founded in 2008, Ardea is one of Australia's largest fixed income investment managers, entrusted with managing over \$13bn⁵ on behalf of clients, including Australia's most sophisticated institutional investors.

Ardea's unique 'relative value' investment approach targets reliable risk-adjusted returns that are independent of market direction and exhibit low correlation to broader fixed income and equity markets.

The firm maintains majority ownership by employees to foster both long term alignment of interests with clients and stability of the investment team, which has longevity and diversity of experience across global fixed income markets.

CONTACT US

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⁵ As at 31 March 2020.

The information in this publication is current as at the date of publication and is provided by Ardea Investment Management Pty Ltd ABN 50 132 902 722 AFSL 329 828, the investment manager of the Ardea Real Outcome Fund (ARSN 158 996 699) (Fund). It is intended to be general information only and not financial product advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider the applicable disclosure document or product disclosure statement (PDS) and any additional information booklet for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. The PDS can be obtained from your financial adviser, Fidante Partners' Investor Services team on 13 51 53 or website www.fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website. Past performance is not a reliable indicator of future performance. Neither your investment nor any particular rate of return is guaranteed. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante Partners), is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante Partners in relation to the Fund, Fidante Partners is not responsible for the information in this publication, including any statements of opinion.